

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA
Legal Action Report of the Special Meeting
of the Board of Directors

September 17, 2015

3:00 P.M.

at the

Ward VI Council Offices - East Conference Room
3202 East First Street
Tucson, Arizona 85719

Present:

Board Members	Marilyn Robinson Gary Bachman Emily Nottingham Judy Clinco Evelia Martinez Larry Lucero Adam Weinstein (left at 3:50 pm)
Staff	Charles Lotzar, Lotzar Law Firm, PC Gary Molenda, Business Development Finance Corporation (left at 3:50 pm) Karen Valdez, Business Development Finance Corporation
Guests	Thaddeus Pace, El Presidio Neighborhood Association Nick Ross - City of Tucson

The Special Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **September 17, 2015**, at the Ward VI Council Office - West Conference Room, 3202 E. First Street, Tucson, Arizona. All Authority’s Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority’s Board of Directors that Arizona’s Open Meeting Laws allow for members of the Authority’s Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order The meeting was called to order by Marilyn Robinson, with a quorum present.	The meeting was called to order at 3:00 p.m.
2. Request for resolution to approve the minutes of the Special Meeting of August 20, 2015.	A MOTION was made and seconded (G. Bachman / J. Clinco) to approve the meeting minutes of the August 20, 2015 Special Meeting as presented. Approved 7-0.
3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority’s behalf by third parties.	A MOTION was made and seconded (E. Martinez / E. Nottingham) to approve payment of invoices and notification of items to be paid as presented. Approved 7-0.
4. Status report from the Liaison to City of Tucson, Arizona City Manager’s Office related to: a) The City’s Economic Development Prospect list b) The City’s use of the Tucson Community Development Loan Fund aka the HUD Section 108 Loan Program	No action taken.

<ul style="list-style-type: none"> c) The City's use of HOME Funds d) The City's use of its 21 Economic Development tools e) Current items of interest 	
5. Status Report related to \$40,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of the City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima/Tucson Homebuyer's Solution) and request for resolution related to any actions related thereto.	No action taken.
6. Status report related to the affairs of Dark Mountain Development Corporation and request for resolution related to any actions related thereto.	No action taken.
7. Staff Reports: Monthly Staff Report for the month ending August 31, 2015. <ul style="list-style-type: none"> a. General Operations of the Authority: <ul style="list-style-type: none"> i. Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC ("PPS") ii. Bond Borrower's payment of Administrative Fees iii. Cash Management iv. Loan Servicing v. Loan Origination vi. 450 N. Main Street b. Updates: <ul style="list-style-type: none"> i. Federal legislation ii. Arizona legislation c. Outstanding Single Family Programs: <ul style="list-style-type: none"> i. Mortgage Revenue Programs that have completed the Origination Period: <ul style="list-style-type: none"> A. Series 2006 (Joint) - \$30,475,000- 1st Mortgage Loan Interest Rate 5.97% - Final Redemption of Senior Bonds July 28, 2014 - CUSIP No. 89873QAB5 Subordinate (approximately \$196,000 - 7% 2nd Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) . B. Series 2007A (Joint) - \$23,400,000- 1st Mortgage Loan Interest Rate 5.69% - Final Redemption of Senior Bonds July 28, 2014 CUSIP No. 89873QAE9 Subordinate (approximately \$192,000 - 7% 2nd Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000). C. Series 2008 (Joint) - \$30,000,000- Mortgage Loan Interest Rate 5.89% - Term Bonds CUSIP Nos. 898700FH7, 898700FJ3, 898700FK0 and PAC Bonds CUSIP No. 898700FL8 (approximately \$7,565,000 outstanding). D. Restructuring Opportunities and past results. 	No action taken.

<p>ii. Mortgage Credit Certificate Program that is in the Origination Period – 2014 in the amount of \$5,000,000 formed on January 2, 2014 - Origination Period expired December 31, 2016.</p> <p>iii. \$40,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of The City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyers Solution) – Program commenced on December 17, 2012 and unless extended expires on December 31, 2016 - over \$140,278,000 in mortgage-backed securities sold with over \$5,611,000 of down payment assistance granted to homebuyers.</p>	
<p>11. Status Report related to development of the Request for Qualifications/Request for Proposal (“RFQ/RFP”) or other process related to the potential development of Block 174 and/or Block 175 and request for resolution for any actions related thereto. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</p> <p>C. Lotzar stated that Adam Weinstein has declared a conflict and is recusing himself from discussions related to the development of the Block 175 RFQ/RFP or any other process related to the potential development of Block 175 and / or Block 174 and to avoid the appearance of impropriety is leaving the meeting at 3:50 p.m.</p> <p>C. Lotzar stated that Gary Molenda, having been identified as having a working relationship with at least one party of one of the Proposers, is declaring a conflict and to avoid the appearance of impropriety is leaving the meeting at 3:50 p.m.</p>	<p>A MOTION was made and seconded (J. Clinco / L. Lucero) to adjourn the Regular Session at 3:54 p.m. Approved 6-0.</p> <p>A MOTION was made and seconded (G. Bachman / E. Martinez) to open Executive Session at 3:54 p.m.</p> <p>A MOTION was made and seconded (G. Bachman / J. Clinco) to reconvene the Regular Session at 5:00 p.m. Approved 6-0.</p> <p>A MOTION was made and seconded (E. Nottingham / E. Martinez) that based on the evaluation, ranking, and recommendation of the Block 175 Evaluation Committee, the Authority proceed to Phase II and invite the El Presidio 175 team to participate in Phase II of the Block 175 RFP Process. Approved 6-0.</p>
<p>12. President’s Report: Brief Summary of current events, including items brought to the President’s attention or matters that required handling by the President since the last meeting.</p>	<p>No action taken.</p>
<p>13. Call to the audience</p> <p>There was no one in the audience who wished to address the Authority.</p>	<p>No action taken.</p>
<p>14. Adjourn</p>	<p>A MOTION was made and seconded (L. Lucero / G. Bachman) to adjourn the meeting at 5:04 p.m. Approved 6-0.</p>

Submitted by:
Karen J. Valdez
Business Development Finance Corporation

Approved by:
Marilyn Robinson, President
The Industrial Development Authority of the
City of Tucson, Arizona